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FARM CREDIT WEST, FLCA  
7

8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**  
10 **SANTA ANA DIVISION**

11 In re  
12 NORTHERN HOLDING LLC,  
13 Debtor.

Case No. 8:20-bk-13014-MW

Chapter 7

**FARM CREDIT WEST, FLCA'S  
CONDITIONAL OPPOSITION TO THE  
CHAPTER 7 TRUSTEE'S MOTION FOR  
ORDER (1) AUTHORIZING SALE OF  
REAL PROPERTY LOCATED AT 2380  
LIVE OAK ROAD, PASO ROBLES, CA:  
(A) OUTSIDE THE ORDINARY COURSE  
OF BUSINESS; (B) FREE AND CLEAR  
OF LIENS, CLAIMS, AND  
ENCUMBRANCES; (C) SUBJECT TO  
OVERBID; (D) FOR DETERMINATION  
OF GOOD FAITH PURCHASER UNDER  
11 U.S.C. § 363(m); AND (2)  
AUTHORIZING AMENDMENT TO  
PURCHASE AND SALE AGREEMENT**

Date: February 9, 2022  
Time: 2:00 p.m.  
Place: Courtroom 6C  
411 W. Fourth Street  
Santa Ana, CA 92701

FRANZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
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**TO THE HONORABLE MARK S. WALLACE, UNITED STATES BANKRUPTCY  
JUDGE, THE CHAPTER 7 TRUSTEE, THE DEBTOR, THE UNITED STATES  
TRUSTEE, ALL OTHER PARTIES IN INTEREST, AND THEIR RESPECTIVE  
COUNSEL:**

Secured Creditor, Farm Credit West, FLCA ("FCW" or "Secured Lender") submits this Conditional Opposition to the "*Motion For Order (1) Authorizing Sale of Real Property Located at 2380 Live Oak Road, Paso Robles, CA: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens, Claims, and Encumbrances; (C) Subject to Overbid; (D) For Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m); and (2) Authorizing Amendment to Purchase and Sale Agreement*" (the "Motion") [Dkt. 278] filed by the Chapter 7 Trustee ("Trustee" or "Movant").

FCW has no objection to the general efforts of the Motion to sell the real property commonly known as 2380 Live Oak Road, Paso Robles, California (the "Property"). Pursuant to the stipulation between the Trustee and FCW, however, the sale may not close unless FCW is paid through escrow and the sale proceeds paid to FCW are at least \$8,250,000.<sup>1</sup> Further, should there be any excess proceeds above \$8,250,000.00 and the amounts that FCW authorized to be paid, those are to be paid to FCW as well. To date, FCW has not received an estimated settlement statement from escrow. In addition, with respect to the Trustee's list of estimated, authorized expenses set forth in the Motion at pages 10:22-11:9, including the footnotes, FCW has noticed some discrepancies between its calculation of those expenses and those set forth in the Motion.

Some of those discrepancies are set forth in the footnotes to the Motion, but the other seems to be with the Trustee's calculation of his fee of 2.25% based on a \$9.1 million sale. Below is a summary of FCW's estimates:

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<sup>1</sup> Docket No. 264, Exh. 1 (the "Stipulation").

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Potential Sale Price	\$9,100,000	Note
Settlement Fee	\$ 500.00	
Title Search Fee	\$ 250.00	
Escrow Fee	\$ 9,000.00	
Title Insurance	\$ 20,000.00	
Transfer Tax Fees	\$ 10,010.00	calculated at \$1.10 per \$1,000 of gross purchase price
Property Taxes	\$ 32,464.00	
Supplemental Taxes	\$ 5,657.16	
any other taxes	\$ 51,878.84	Any excess will be returned to Farm Credit West, FLCA
Insurance Premium (Lee Codding)	\$ 6,770.68	Once proof of payment is provided.
Insurance reserves	\$ 15,000.00	Any excess will be returned to Farm Credit West, FLCA
Trustee Attorney's fees	\$ 100,000.00	to be approved by the courts
Hilco Fee 1.75%	\$ 159,250.00	1.75%
Onyx Fee 1.75%	\$ 159,250.00	1.75%
Trustee Fee 2.25%	\$ 204,750.00	2.25%
Miscellaneous Contribution	\$ 30,000.00	
Field Agent Fees (Lori Hensely)	\$ 12,000.00	
<b>Total Expenses</b>	<b>\$ 816,780.68</b>	
<b>Net Proceeds</b>	<b>\$8,283,219.32</b>	

FCW is in contact with the Trustee to try to resolve any discrepancies.

Accordingly, FCW respectfully requests that any Order issued with respect to the Motion expressly provide that the sale may not close unless FCW receives from escrow (i) at least \$8,250,000 and (ii) any additional amounts in excess of \$8,250,000 agreed to between FCW and the Trustee, which will be reflected in FCW's demand to escrow.

DATED: January 26, 2022

Respectfully submitted,  
FRANDZEL ROBINS BLOOM & CSATO, L.C.  
MICHAEL J. GOMEZ  
GERRICK M. WARRINGTON

By: /s/ Michael J. Gomez

MICHAEL J. GOMEZ  
Attorneys for Secured Creditor  
FARM CREDIT WEST, FLCA

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 1000 Wilshire Boulevard, Nineteenth Floor, Los Angeles, CA 90017-2427.

A true and correct copy of the foregoing document entitled (*specify*): **FARM CREDIT WEST, FLCA'S CONDITIONAL OPPOSITION TO THE CHAPTER 7 TRUSTEE'S MOTION FOR ORDER (1) AUTHORIZING SALE OF REAL PROPERTY LOCATED AT 2380 LIVE OAK ROAD, PASO ROBLES, CA: (A) OUTSIDE THE ORDINARY COURSE OF BUSINESS; (B) FREE AND CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES; (C) SUBJECT TO OVERBID; (D) FOR DETERMINATION OF GOOD FAITH PURCHASER UNDER 11 U.S.C. § 363(m); AND (2) AUTHORIZING AMENDMENT TO PURCHASE AND SALE AGREEMENT** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) \_\_\_\_\_ I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☐ Service information continued on attached page.

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) January 26, 2022, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Tom Proutzos  
Goodman Neuman Hamilton LLP  
One Post Street Suite 2100  
San Francisco, CA 94104

☐ Service information continued on attached page.

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) January 26, 2022, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

The Honorable Mark S. Wallace (overnight delivery)  
U.S. Bankruptcy Court  
Ronald Reagan Federal Building  
Judge Wallace's mail slot by 6th Floor elevators  
411 W. Fourth Street  
Santa Ana, CA 92701

☐ Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

January 26, 2022  
\_\_\_\_\_  
*Date*

Zulma Ybarra  
\_\_\_\_\_  
*Printed Name*

/s/ Zulma Ybarra  
\_\_\_\_\_  
*Signature*

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 1000 Wilshire Boulevard, Nineteenth Floor, Los Angeles, CA 90017-2427.

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See attached service list.

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☐ Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

January 26, 2022

*Date*

David T. Moore

*Printed Name*

/s/ David T. Moore

*Signature*

**ADDITIONAL SERVICE INFORMATION (if needed):**

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

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